

METHANE

Issue:

* In 2016, EPA promulgated New Source Performance Standards (NSPS) under Section 111 of the Clean Air Act to reduce volatile organic compounds and methane emissions from new and modified sources across the crude oil and natural gas sector. This NSPS is often referred to as the "Methane rule" or "OOOOa ("Quad-Oh-Ay")." After the final rule was issued, EPA received several petitions for administrative reconsideration of certain aspects of the Methane rule, and several petitions for judicial review of the rule were filed.

* EPA is taking actions to reconsider certain technical issues in the Methane rule in response to petitions for administrative reconsideration. In March 2018, EPA amended two narrow provisions in the Methane rule that posed significant and immediate compliance concerns. In October 2018, EPA proposed additional amendments to address various technical issues, clarify certain requirements, and make other targeted improvements to the rule. EPA also is undertaking a broad policy review of the rule as directed in the President's Executive Order 13783, "Promoting Energy Independence and Economic Growth" (March 28, 2017).

Background:

The Administration has issued numerous actions related to the NSPS standards.

* In April 2017, in response to petitions for reconsideration, Administrator Pruitt granted reconsideration of certain aspects of the Methane Rule.

* On June 5, 2017, the EPA granted reconsideration of additional aspects of the Methane Rule and issued a three-month administrative stay of the rule requirements under reconsideration, and on June 16, 2017, the EPA proposed via rulemaking with publication in the Federal Register a two-year stay of these requirements. To allow EPA time to complete the two-year stay rulemaking before the administrative stay expires, the EPA concurrently proposed to stay these requirements for another three months after the end of the initial three-month administrative stay. The U.S. Court of Appeals for the D.C. Circuit vacated EPA's three-month administrative stay in July 2017.

* In response to comment, concerns, questions and suggestions received on the proposed stays published in the Federal Register, on November 8, 2017, EPA issued two Notices of Data Availability (NODAs). The NODAs provided additional information for comment on two main topics: (1) challenges to implementing the requirements in the Methane Rule that would be covered by proposed stays and (2) the Agency's legal authority to stay standards in the Methane rule via rulemaking.

* Based on comments that the agency received on proposed stays of the rule and the NODAs, in March 2018, EPA amended the Methane rule to address two requirements for fugitive emissions that posed significant and immediate compliance concerns: a requirement that leaking components be repaired during unplanned or emergency shutdowns and the monitoring survey requirements for well sites located on the Alaskan North Slope.

* In May 2018, EPA proposed amendments to the 2016 federal implementation plan (FIP) for managing air emissions from new and modified true minor oil and natural gas sources in Indian country.

* In October 2018, EPA proposed other targeted improvements to the 2016 NSPS for the oil and gas industry. The proposal was open for comment until December 17, 2018.

* EPA continues to consider broad policy issues in the 2016 Methane rule, including the regulation of greenhouse gases in the oil and natural gas sector. The agency will issue a separate proposal addressing those issues at a later date.

Key Points:

* EPA remains committed to reviewing and improving the 2016 final rule in order to streamline implementation, reduce duplicative EPA and state requirements, and reduce unnecessary burden on domestic energy producers.

* EPA has received mixed reactions regarding the October 2018 proposed targeted

improvements.

- o Some states are supportive, while others have indicated that they prefer the current requirements in the Methane rule without the proposed amendments.
- o We have received Congressional letters indicating their opposition to the proposed package and requesting an extension to the comment period.

Talking Points:

- * EPA has proposed targeted improvements to OOOOa that streamline implementation, reduce duplicative EPA and state requirements.
- * These implementation issues have been brought to the Agency's attention in the time since the final standards were issued.
- * The 2018 targeted improvements proposal solicits comments and/or information from the public regarding the Agency's proposed requirements and options under consideration.
- * The Agency continues to consider broad policy issues in the 2016 rule, including the regulation of greenhouse gases in the oil and natural gas sector. These issues will be addressed in a separate proposal at a later date.

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